

Transportation Funding

Class B and Class C Road Funds

Overview

- Definitions
- Distribution of Funds
- Bid Limit
- Miscellaneous
- Master Study Items

Definitions

- **Class A roads** are **state highways** comprised of highways, roads, and streets designated under Chapter 4, Designation of State Highways
- **Class B roads** are **county roads** comprised of all public highways, roads, and streets situated outside of incorporated municipalities which are not designated as state highways
- **Class C roads** are **city streets** comprised of highways, roads, and streets which are not designated as class A state roads or as class B roads
- **Class D roads** are roads that have been **established by use** and have been maintained for vehicles and that is not a class A, class B, or class C road

Distribution of Funds

FY 2009 Highway User Revenue

Motor Fuel Tax	\$235,481,153
Special Fuel Tax	101,366,554
Vehicle Registration Fees	34,917,295
Temporary Permit Fees	491,600
Motor Vehicle Control Fees	4,552,332
Proportional Registration	14,113,596
Highway Use Tax	7,101,933
Special Transportation Permits	8,234,596
Safety Inspection Fees	2,094,239
Cash Over and Short	-980
Less Distribution Payback from 2008 in 2009	-1,562,965

Total Highway User Revenue	\$406,789,352
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Distribution of Funds

Total Highway User Revenue

\$406,789,352

- Subtract -

2009 Transfers to Other State Agencies

State Highway Patrol	\$5,495,500
DAS Finance Administration	450,000
Tax Commission	5,857,400
Travel Development	118,000

Total Transfers to other Agencies	\$11,920,900
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Distribution of Funds

Highway User Net Revenue

\$394,868,452

- 70/30 Split -

To Cities, Counties & Forest Services

B & C Road Fund
\$118,460,536

30% of Net Revenue

To UDOT

Transportation Fund
\$276,407,916

70% of Net Revenue

Reference: UDOT 2009 Annual Statistical Summary

Distribution of Funds

Class B & C Revenues

\$118,460,536

**Overweight Truck Fines
and Levies**

\$328,757

Total 2009 Distribution to Cities and Counties

\$118,789,293

Distribution of Funds

Funds Distribution to Counties

Class B Funds	\$44,768,147
Distribution %	37.7%

Funds Distribution to Forest Services Roads

Forest Service Funds	\$500,000
Distribution %	0.4%

Funds Distributed to Cities and Towns

Class C Funds	\$73,521,146
Distribution %	61.9%

Distribution of Funds

Total 2009 Distribution to Cities and Counties

\$118,789,293



Distribution Formula

50% Population

50% Weighted Road Miles

Distribution of Funds

- 50% Population

- ▶ Based on ratio of total state population
- ▶ Last official census

- 50% Weighted Road Mileage

- ▶ Paved road miles multiplied by five
- ▶ Graveled road miles multiplied by two
- ▶ Other road miles multiplied by one

Distribution of Funds

■ Hold Harmless

▶ 14% Rule

- Population of a county is considered to be at least 14% of total county population
- Apportionments for municipalities in the county are adjusted

Distribution of Funds

■ Hold Harmless (continued)

▶ 120% Rule

- Population less than 14,000 (city or county)
- Guaranteed 120% of 1996-97 apportionment
- Receive the percentage change in the class B and class C roads account compounded annually beginning FY 2007
- Apportionments for municipalities and counties statewide are adjusted

Bid Limit

- Bid limit is:
 - ▶ \$125,000 for 2003; and
 - ▶ Indexed each year using the lesser of:
 - 3%; or
 - CPI for previous year
 - ▶ Roughly \$145,000 for 2010
- All projects in excess of the bid limit must be let to the lowest responsible bidder

Bid Limit

- Must make estimates for a project that exceeds the bid limit
- A county or city may do the project if:
 - ▶ Cost estimate is at least 10% lower than any bid received (or no bids received)
 - ▶ Provides accounting of the costs of the project
 - ▶ Discloses costs upon request
 - ▶ Uses the same standards that would apply to a private contractor

Miscellaneous

- Use up to 30% of B and C Road funds to assert, defend, or litigate local government rights under R.S. 2477
- Bond up to 10 years
- Projects must be done under supervision of a registered professional engineer
- Funds are expended under the direction of UDOT as the Legislature provides
- UDOT adopts rules that govern B and C Road funding



Questions?

Master Study Items

- B and C Road Maintenance Funding - to study whether current B and C road funds are adequate to cover the maintenance costs of those roads
- Class B and C Road Bids - to study bid limits for class B and class C road maintenance or construction projects
- Deferring Road Maintenance - to study the impact of the deferring of routine maintenance of arterial and collector roads
- Determining Local Transportation Needs - to study and review the current means of determining the transportation needs of a community, including cost and capacity measures, and ways to improve these determinations
- Lane Mile Distribution Formula for Local Transportation Funding - to study the adequacy of the current lane mile distribution formula in funding transportation needs in a community and whether there is a better measure of capacity that more accurately reflects transportation need, including lane miles traveled per lane mile, an assessment of arterial roads in a community, or another measure